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JUN 15 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

June 15, 2001

VIA HAND DELIVERY

Ms. Magalie Roman Salas, Secretary

Federal Communications Commission

445 12th Street, SW, Room TW-A325

Washington, D.C. 20554

Re: **PETROLEUM COMMUNICATIONS, INC.**
Ex Parte Presentation
Gulf of Mexico Cellular Rule Making Proceeding
WT Docket 97-112; CC Docket 90-6

Dear Ms. Salas:

Petroleum Communications, Inc. ("PetroCom"), by its attorneys, hereby responds¹ to the ex parte letter filed by AT&T in the referenced proceeding on April 18, 2001.²

AT&T's attacks on PetroCom are unjustified. PetroCom stands by its statements that it has excellent relationships with neighboring land licensees. It has never denied a request for an extension into its CGSA in order to create unserved area it could apply for. AT&T claims that PetroCom exaggerates, but acknowledges that our client just signed two extension agreements with AT&T. AT&T asserts that "other requests for extension agreements have been denied" by PetroCom, with no specific details as to when or why. We recall no instance where PetroCom ultimately denied a request that AT&T followed up on. Consider AT&T's story about Weeki Wachee, Florida. Since PetroCom has no infrastructure off the Florida coast, it would have no reason to deny AT&T's Weeki Wachee extension request. If that request might have slipped through a crack, AT&T could have followed up (for example, by contacting us) before going to the "great expense" to relocate the Weeki Wachee site. But AT&T did not do so. It gives no details about the Weeki Wachi matter.

AT&T displays a mean attitude toward PetroCom without justification. AT&T and PetroCom were parties to a collocation agreement reached in 1996 for the Houston and Galveston markets. This agreement has worked perfectly fine. AT&T does not elaborate on how its "experience" proves otherwise. The two extension agreements "very recently" reached by AT&T and PetroCom further demonstrate that they have been able to work together and get along. Why AT&T now attacks PetroCom is puzzling. Unfortunately, like Alltel, Verizon and Cingular, AT&T trumps up anecdotes to give the

¹ An original and four copies of this submission are being filed (two copies for each referenced docket).

² Letter dated March 30, 2001 from attorney Michelle Mundt (Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C.), to David Furth, enclosing a letter from an AT&T principal.

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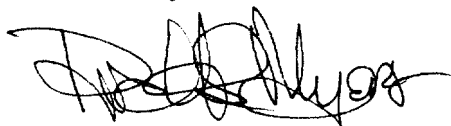
Commission a reason for taking 10 miles of service area away from the two small Gulf carriers and handing it to the land carriers for free.

What highlights AT&T's unreasonableness is the PetroCom/U.S. Cellular proposal to extend the boundary on the Gulf's Florida side by 10 miles, leaving the boundary on the Western side alone. AT&T's interests in the Gulf now lie exclusively on the Florida side. The PetroCom/U.S. Cellular proposal thus *better* serves AT&T's interests than the so-called "neutral zone" proposal.

PetroCom's March 1, 2001 filing explained that the high costs of building and maintaining a cellular network in the Gulf are reflected in its higher subscriber and roaming rates. AT&T simply ignores this while observing that PetroCom's roaming rates (to which AT&T has agreed) are "well above market rates." Yes, the rates are higher, for reasons AT&T does not dispute. AT&T states it "is not asking the FCC to regulate the Gulf carriers' roaming rates." PetroCom would strongly agree that the current rule making is not the place for rate regulation and, moreover, the Commission should avoid price regulation altogether.³

AT&T claims it is concerned about "subscriber capture near the GMSA that occurs under the current licensing regime." The problem is that neither AT&T (nor anyone else) has shown that significant unauthorized subscriber capture even occurs. PetroCom's March 1 filing included a further analysis of the record showing there is no evidence of a capture problem. AT&T's response totally ignores this showing. With respect to Florida, the *only* Gulf region of any interest to AT&T at this point, subscriber capture is an *impossibility* since the Gulf carriers presently have no infrastructure there. For that reason, consumers are not paying high Gulf roaming charges in Florida. Put simply, there is nothing for AT&T to be complaining about when it comes to its Florida operations.

Sincerely,



Richard S. Myers
Jay N. Lazrus
Attorneys for Petroleum Communications, Inc.

cc: David Furth
James D. Schlichting
Roger Noel
Lauren Kravetz

³ Commercial Mobile Radio Service (including cellular radiotelephone) is subject to Commission forbearance from Title II rate regulation.